

COUNTY OF LOS ANGELES

MARVIN J. SOUTHARD, D.S.W.
Director

SUSAN KERR
Chief Deputy Director

RODERICK SHANER, M.D.
Medical Director



BOARD OF SUPERVISORS
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DEPARTMENT OF MENTAL HEALTH

550 SOUTH VERMONT AVENUE, LOS ANGELES, CALIFORNIA 90020

Reply To: (213) 738-4601
Fax No.: (213) 386-1297

<http://dmh.co.la.ca.us>

June 3, 2004

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

59

JUN 15 2004

Dear Supervisors:

Violet Varona-Lukens
VIOLET VARONA-LUKENS
EXECUTIVE OFFICER

**APPROVAL OF AMENDMENTS TO DEPARTMENT OF MENTAL HEALTH LEGAL
ENTITY AGREEMENTS WITH MENTAL HEALTH SERVICE PROVIDERS TO
PROVIDE SUPPORTIVE AND THERAPEUTIC OPTIONS PROGRAM FUNDS
FOR FISCAL YEAR 2002-2003
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Director of Mental Health, or his designee, to prepare, sign, and execute contract amendments, substantially similar to Attachment I, to the Department of Mental Health (DMH) Legal Entity Agreements (Agreements) for Fiscal Year (FY) 2002-2003 to separate out from the Supportive and Therapeutic Options Program (STOP) State General Funds (SGF), a STOP County General Fund (CGF) match totaling \$320,000 (Attachment II). The \$320,000 will fill a gap between the \$1,618,000 received in SGF and the \$1,938,000 actually expended by the providers. These amendments will permit a \$320,000 shift of funds from SGF to CGF match and will allow DMH to reimburse thirty (30) providers listed on Attachment II, 100 percent or \$1,938,000 of STOP SGF and CGF for eligible STOP services provided in FY 2002-2003. There is no increase in the Maximum Contract Amounts (MCAs) for FY 2002-2003.
2. Delegate authority to the Director of Mental Health, or his designee, to prepare, sign, and execute future amendments to the Agreements and establish as a new MCA the aggregate of the original contract and all amendments through and including these amendments provided that: 1) the County's total payments to Contractor under the Agreement for each fiscal year shall not exceed a change of 20 percent from the applicable revised MCA; 2) any increase shall be used to

provide additional services or to reflect program and/or policy changes; 3) the Board of Supervisors has appropriated sufficient funds for all changes; 4) approval of County Counsel and the Chief Administrative Officer or his designee are obtained prior to any such Amendment; 5) the parties may, by written amendment, mutually agree to reduce programs or services without reference to the 20 percent limitation; and 6) the Director of Mental Health shall notify the Board of Supervisors of Agreement changes in writing within thirty (30) days after execution of each Amendment.

PURPOSE /JUSTIFICATION OF RECOMMENDED ACTION

From the inception of the STOP program, the State, through the Department of Children and Family Services (DCFS), contracted with the County at 70 percent SGF with a required 30 percent local CGF match. In prior Board letters when DMH began to contract out for STOP services, DMH did not address this mandated local CGF match requirement. Therefore, when it came time to pay providers, DMH was unable to pay them 100 percent for the provision of STOP services using SGF received from the State through DCFS. For FY 2002-2003, DMH received from the State a total of \$1,618,000 in STOP SGF for the program. The \$1,618,000 was paid to providers under the County Agreement's terms and conditions. Providers submitted claims totaling \$1,938,000. Therefore, DMH needs the difference between the \$1,938,000 in provider claims and \$1,618,000 in STOP SGF or \$320,000 of CGF to cover the balance of the local match requirement for providers. Approval of this Board letter will allow DMH to disburse \$320,000 of CGF to thirty (30) providers listed on Attachment II to fully reimburse STOP services rendered in FY 2002-2003.

Implementation of Strategic Plan Goals

The recommended Board action is consistent with the County's Programmatic Goals: Goal Four, "Fiscal Responsibility"; Goal Five, "Children and Families Well-Being"; Goal Six, "Community Services"; and Goal Seven, "Health and Mental Health". Board approval of this request will enable DMH to fully reimburse providers who delivered mental health services to the STOP targeted population in FY 2002-2003.

FISCAL IMPACT/FINANCING

There is no increase in net County cost for FY 2002-2003.

Through the amendment process to shift \$320,000 from SGF to CGF, DMH requests approval to disburse the \$320,000 to thirty (30) providers listed on Attachment II for their

eligible STOP services rendered in FY 2002-2003. This will enable DMH to fully reimburse the thirty (30) providers for their STOP service claims.

The \$320,000 in requested payments will be fully funded from the Accounts Payable (AP) established for providers in FY 2002-2003. The APs were funded with CGF at the time of the FY 2002-2003 close. Accordingly, there is no impact on net County cost in FY 2003-2004 for this action, nor request for an appropriation adjustment since DMH will utilize the AP established for providers that was funded by CGF at the close of FY 2002-2003.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On October 2001, your Board approved contract amendments enabling DMH to add STOP funds to twenty (20) providers. Such STOP funds were part of the Juvenile Justice Program expansion and were to be used for the STOP target population, i.e., children and youth at risk of out-of-home placement and those preparing to exit, or who are in the process of exiting, an out-of-home placement. In FY 2002-2003, DMH expanded the STOP program and entered into agreements with thirty (30) providers (Attachment II).

Since inception of the STOP program, the State has required a 30 percent local CGF match for STOP funding. Since DMH did not address this 30 percent match requirement when contracting out most of the STOP allocations in FYs 2001-2002 and 2002-2003, DMH was unable to pay providers 100 percent for their STOP services using SGF received from the State through DCFS. For FY 2001-2002, DMH paid providers the 70 percent of SGF, and only if such providers had enough of their own CGF to cover the 30 percent match.

According to the existing Agreements for FY 2002-2003, DMH has a legal obligation to pay providers \$1,938,000 for 100 percent of STOP services rendered. DMH received a total of \$1,618,000 in STOP funds for the program (a combination of \$261,000 from DMH directly-operated and \$1,357,000 from contract providers' STOP claims). Like the State, DMH views the required local match at a total program level; for the DMH STOP program, this means both DMH directly-operated and contract providers can generate the required match. For providers, the 30 percent match totals \$581,000; since DMH is using \$261,000 of STOP funds received for DMH directly-operated providers to cover part of the match, DMH needs only the gap of \$320,000 for providers to cover the STOP funding shortfall for providers. Approval of this Board letter will allow DMH to disburse \$320,000 of CGF, thereby fully reimbursing providers for 100 percent of STOP services.

CONTRACTING PROCESS

DMH will amend thirty (30) Agreements for FY 2002-2003 (Attachment II) to separate out CGF from SGF to ensure that providers receive 100 percent reimbursement for STOP services rendered in FY 2002-2003.

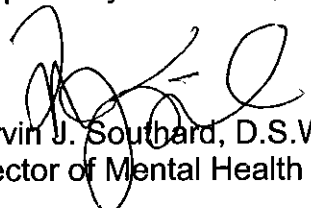
IMPACT ON CURRENT SERVICES

There will be no impact on current services, as these providers have delivered mental health services to the STOP target population.

CONCLUSION

The Department of Mental Health will need one (1) copy of the adopted Board action. It is requested that the Executive Officer of the Board notifies the Department of Mental Health's Contracts Development and Administration Division at (213) 738-4684 when this document is available.

Respectfully submitted,



Marvin J. Southard, D.S.W.
Director of Mental Health

MJS:RK:LQ:AW

Attachments (2)

c: Auditor-Controller
Chief Administrative Officer
County Counsel
Chairperson, Mental Health Commission

CONTRACT NO. _____

AMENDMENT NO. _____

THIS AMENDMENT is made and entered into this ____ day of _____, 2004, by and between the COUNTY OF LOS ANGELES (hereafter "County") and _____ (hereafter "Contractor").

WHEREAS, County and Contractor have entered into a written Agreement, dated _____, identified as County Agreement No. _____, and any subsequent amendments (hereafter collectively "Agreement"); and

WHEREAS, for Fiscal Year 2002-2003 only, County and Contractor intend to amend Agreement only as described hereunder; and

WHEREAS, for Fiscal Year 2002-2003 only, County and Contractor intend to restructure Supportive and Therapeutic Options Program (STOP) funds in the Maximum Contract Amount by transferring \$ _____ from STOP-State General Funds (STOP-SGF) to STOP County General Funds (STOP-CGF) match.

NOW, THEREFORE, County and Contractor agree that Agreement shall be amended only as follows:

1. Financial Summary – __ for Fiscal Year 2002-2003 shall be deleted in its entirety and replaced with Financial Summary – __ for Fiscal Year 2002-2003 attached hereto and incorporated herein by reference. All references in Agreement

to Financial Summary – __ for Fiscal Year 2002-2003 shall be deemed amended to state Financial Summary – __ for Fiscal Year 2002-2003.

2. Contractor shall provide services in accordance with the Contractor’s Fiscal Year 2002-2003 Negotiation Package for this Agreement and any addenda thereto approved in writing by Director.

3. Except as provided in this Amendment, all other terms and conditions of the Agreement shall remain in full force and effect.

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IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by County's Director of Mental Health or his designee, and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
MARVIN J. SOUTHARD, D.S.W.
Director of Mental Health

CONTRACTOR

By _____

Name _____

Title _____
(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM
OFFICE OF THE COUNTY COUNSEL

APPROVED AS TO CONTRACT
ADMINISTRATION:

DEPARTMENT OF MENTAL HEALTH

By _____
Chief, Contracts Development
and Administration Division

STOP Amend FY 02-03

COUNTY OF LOS ANGELES - DEPARTMENT OF MENTAL HEALTH					Attachment II	
SUPPORTIVE AND THERAPEUTIC OPTIONS PROGRAM (STOP)						
NON-GOVERNMENTAL AGENCIES (NGAs)						
FOR FY 2002-2003						
			B	C	D = B-C	
	Legal Entity Name	Legal Entity	Sup District	Total NGAs Claimed	Reimbursement from DGFS for NGAs	AMENDMENT REQUESTED
CONTRACT PROVIDERS:						
1	Tri-City (Child & Family Svcs.)	00066	1	\$ 115,500	\$ 96,438	\$ 19,062
2	Almanson Center (Institute for The Redsign of Learnings)	00171	5	52,116	43,515	8,601
3	Assoc. League of Mex. American dba ALMA	00173	1	105,600	88,172	17,428
4	Aviva Center (Hamburger Home)	00174	3	23,381	19,522	3,859
5	Community Counseling Service	00180	1	58,476	48,825	9,651
6	Didi Hirsh Psychiatric Service	00183	2	32,541	27,171	5,370
7	Dubnoff Center	00184	3	29,862	24,934	4,928
8	El Centro de Amistad, Inc.	00185	3	86,142	71,926	14,216
9	Gateways Hospital	00190	1	80,194	66,959	13,235
10	The Guidance Center (Greater Long Beach CGC)	00191	4	47,029	39,268	7,761
11	Vista Del Mar Child & Family Services	00196	2	7,903	6,599	1,304
12	Kedren Community Health Center, Inc.	00197	2	83,120	69,402	13,718
13	Los Angeles Child Guidance Center	00199	2	111,264	92,902	18,362
14	National Foundation dba Penny Lane	00201	3	81,083	67,701	13,382
15	Pacific Clinics	00203	5	243,921	203,665	40,256
16	Child & Family Guidance Center	00207	3	49,339	41,196	8,143
17	San Fernando Valley CMHC	00208	3	30,736	25,663	5,073
18	Special Service for Groups	00214	1	36,236	30,256	5,980
19	Stirling Behavioral Health Institute	00216	3	37,126	30,999	6,127
20	St. John's Hospital and Health Center	00217	3	29,155	24,343	4,812
21	Verdugo Mental Health Center	00221	5	29,836	24,912	4,924
22	Aspen Health Svcs.	00519	4	162,325	135,536	26,789
23	Star View Adolescent Ctr.	00543	4	74,173	61,932	12,241
24	Shields for Families	00558	2	73,233	61,147	12,086
25	WRAP Family Services	00579	4	32,386	27,041	5,345
26	Children's Institute International	00591	2	21,424	17,888	3,536
27	Youth Intervention Program	00687	2	77,319	64,559	12,760
28	Counseling and Research dba MASADA	00779	4	26,580	22,193	4,387
29	Optimist Youth Homes	00781	1	86,029	71,831	14,198
30	ChildNet Youth & Family	00783	4	13,671	11,415	2,256
	SUB TOTAL [NGA]			\$ 1,937,701	\$ 1,617,911	\$ 319,790
	Rounding			299	89	210
	TOTAL [NGA]			\$ 1,938,000	\$ 1,618,000	\$ 320,000